

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## Argentina

### Retail Foods

**2010**

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**Report Highlights:**

Government policies encouraging consumption and high world grain prices are forecast to result in a growing domestic economy. The local food and beverage market is expected to continue its recovery in 2011. Practically all retail formats will continue to expand in 2011, with a strong focus on small stores, proximity, and mainly in the interior of the country. Imports of foods and beverages are projected to grow significantly, but closely monitored by the government.

**Post:**

Buenos Aires

**Executive Summary:**

The Argentine food and beverage (F&B) market is expected to continue to grow in 2011 as the local economy is projected to expand further, due to official policies which encourage domestic consumption and the fact that high agricultural export prices encourage domestic production.

In the past several years, the Argentine retail sector saw strong signs of recovery as a reflection of the expansion of the local economy. The following are the main trends in recent years which are expected to continue during 2011:

continued price increases (inflation rate estimated by most private economists at 20-25 percent);

\* growth in volume sales, especially in the interior of the country;

recovery in market share by large retailers vis-à-vis traditional stores and smaller supermarkets;

consumers' big purchase is normally made in large supermarkets, while the "daily" purchase mainly takes place in smaller formats;

brand names and high-value products are expected to continue to have strong sales in 2011;

\* expansion of private label products;

strong discounts on purchases, which can reach up to 25 percent off;

\* company credit cards offered by several large retailers;

\* continued sales campaigns to attract customers;

\* marketing activities through brochures and in-store promotions;

\* "price" is the main driver, but consumers have renewed interest in convenience, service, and quality;

\* increase of product lines and supply of informal credit by kiosks and grocery stores;

investment in new supermarkets, wholesalers, and hard discounts;

smaller store formats, concentrating in proximity, a wider variety of product supply, premium brands and service; and,

\* expansion of stores primarily in the interior of the country (large and mid-size cities).

Retailers are expected to continue to open new stores focusing on close-by smaller formats, which carry mostly food products. Sales of less expensive private label products are forecast to increase. Sales of imported food products are expected to grow, but official measures to protect the local industry will limit further expansion. The government recently made local importers sign agreements stating that they were going to export for at least the same value as they import, in a 12-month period. These measures also negatively affect direct imports made by large retailers. High inflation and an almost fixed exchange rate cause imported products to be more competitive.

**Author Defined:****SECTION I. MARKET SUMMARY**

Argentine total food and beverage (F&B) retail sales for 2010 are estimated at \$35 billion and expected to grow further in 2011.

Hypermarkets, superstores, and warehouse stores (locally known as "hard discount stores" and mostly operated by large retailers) account for approximately 30 percent of the total F&B sales. Small supermarkets, grocery stores, and kiosks, make up the remaining 70 percent.

Hypermarkets and superstores are the retail formats which have most grown since 1990. They focus on competitive prices, strong discounts, company credit cards, and loyalty programs.

Warehouse stores offer lower-price products, i.e. private labels and B-Brands and grocery stores provide credit to less affluent consumers, are close-by, and provide personalized service.

Following consumers' needs, warehouse stores are incorporating more brand names and service. Several of the leading international retail companies are operating in Argentina: WalMart,

Carrefour, Casino, and Jumbo. Coto and La Anonima are the only large retailers which still have local ownership.

Practically all large retailers now have several sizes and format stores. There is a strong competition from small, independent "Asian supermarkets". There is also the need to service all the consumer segments of the market;

Strong competition and concentration in Buenos Aires city and suburbs. However, during the past few years, hypermarkets and superstores have expanded into the interior of the country through the purchase of smaller chains and the opening of new stores.

Customers continue to focus on products which provide good value. The Argentine consumer today wants everything: convenience, price, first brands, quality, variety, and proximity.

Supermarket private label products account for approximately 10 percent of total supermarket sales. There is a wide variety of F&B products sold under private label. Practically all products under this category are manufactured locally.

Large retail companies have great negotiating power, putting strong pressure on their suppliers. F&B sales in hypermarkets and superstores account for approximately 65-70 percent of total sales.

Sales of alcoholic beverages is expanding vigorously, not only in quantity but in quality; verage, Argentines spend about one third of their income in F&B.

F&B imports have been gradually recovering after the 2001 crisis. In 2011 they are expected to reach a similar level to that of 2001 before the crisis.

Approximately 70 percent of all imported F&B are sold through hypermarkets, superstores and supermarkets.

Overall, imported products include products which are not domestically produced or its supply is not enough to fully meet the demand, such as canned palm hearts, tuna fish and pineapple, corn, peas, tomatoes, and also some fruits.\_

*Value of Retail Sales of Imported Food and Beverage vs. Domestic Products (in \$ billion)*

Retail Sales/Year	2004	2005	2006	2007	2008	2009	2010
<b>Imported F&amp;B - CIF</b>	0.35	0.39	0.43	0.62	0.75	0.67	0.89
<b>Imported F&amp;B - retail price</b>	1.1	1.2	1.3	1.8	2.3	2.0	2.7
<b>Domestic F&amp;B - retail price</b>	14.1	16.8	17.5	22.6	25.0	26.0	35.0
<b>Imp/Total F&amp;B Retail Sales %</b>	7.0	6.7	7.0	8.0	9.2	7.7	7.7

2010 FAS estimate

**Trends in Distribution Channels**

Large investment in the retail sector. Practically all retail formats are increasing in number: warehouse stores (incorporating product variety and service), supermarkets, supercenters, wholesalers, traditional grocery stores, and shopping malls.

New openings, mergers and acquisitions are expected to continue growing moderately. Carrefour owns Norte, and Dia, with almost 25 percent of total supermarket sales in 2009. Cencosud owns Jumbo, Disco and Vea which together account for 18 percent of total supermarket sales. Coto accounts for 12 percent of total sales, while La Anonima and Wal Mart account for almost 8 percent each.

WalMart and Carrefour announced larger investment in expansion.

Wholesale clubs (WalMart's Sam's and Makro's Kargo) closed their stores in the late 1990s, as the format did not "catch on".

≈ retailers have modern centralized warehouses.

With the growth in sales of small grocery stores, wholesalers have increased their market share. There are 5-6 solid local companies that offer good service. Almost all of these companies are investing heavily in modernizing and opening new outlets, with a focus in the interior of the country. There were 141 outlets in total in 2009.

Large retail chains face fierce competition among themselves, and against smaller supermarkets and grocery stores, which prompts them to implement promotional campaigns based on low prices, important discounts, and improved service. They offer a wide variety of products.

The upper/middle-high socioeconomic strata primarily shop in hypermarkets since they value variety and service. They also make small purchases of fresh products in nearby smaller stores. The middle class regularly shop in medium and small supermarkets. Lower-income consumers typically shop in traditional grocery stores and hard discounts.

Supermarkets sell primarily non-perishable food products, carbonated and alcoholic beverages, cold cuts, dairy products, and cheese. Between 30-40 percent of meats and poultry are sold in supermarkets and the balance in traditional/specialized stores. Supermarkets have a relatively small market share of fruits, vegetables and bread sales, although they are incorporating more fresh products.

Due to a major concern about incorporating healthier eating habits, consumption of functional F&B, and low-calorie and fat-free products (especially, dairy products, sandwich bread, flavored water, and fruit juices) increased significantly during the past couple of years.

Internet sales are expanding dramatically as they are becoming more and more popular among consumers with higher- and middle-income purchasing power.

Home and office delivery by retailers has regained popularity after becoming more restricted, during the past few years, as service had lost importance in the local price-driven market.

Superstores purchase imported F&B through local importers, agents, and/or representatives.

F&B are imported primarily from Brazil, Ecuador and Chile because of lower freight costs and zero or low tariffs for most goods.

Buenos Aires City and suburbs represent roughly 45 percent of the country's F&B sales. The balance is distributed throughout the rest of the country, primarily in 10 large cities.

Number and Type of Food & Beverage Retail Outlets (Estimated 2008)

<b>Type of Store</b>	<b>Number of Outlets</b>
<b>Hypermarkets</b>	166
<b>Superstores</b>	1,505
<b>Warehouse Stores</b>	607
<b>Small Supermarkets or Independent grocers</b>	130,000
<b>Grocery Stores (incl. mom-&amp;-pop and specialty food stores)</b>	500,000
<b>Convenience Stores</b>	5,500
<b>Total</b>	637,778

Source: FAS Buenos Aires

## Trends in Services Offered by Retailers

Store credit cards, usually in conjunction with strong discounts or long payment terms.

poration of convenience foods, such as hot and frozen meals.

A few hypermarkets offer some ethnic and kosher food, and organic products. They also have a special area devoted to imported F&B.

e and office delivery. Kiosks and convenience stores provide office delivery.

A limited percentage of more affluent consumers do their shopping by phone and the Internet.

However, this service is becoming more and more popular.

During the past few years, there were some openings of other food and non- food businesses annexed to hypermarkets and superstores, such as movie theaters, food courts, and entertainment parks, etc.  
 In addition, fast food restaurants were incorporated inside most stores.

## Outlook for U.S. Exports of Food & Beverage Products

Below are the strengths and weaknesses of U.S. F&B in the Argentine market:

<b>ADVANTAGES</b>	<b>CHALLENGES</b>
Argentine consumers think of U.S. products as high quality and reliable.	Mercosur preferential tariffs encourage inter-regional trade. Brazilian and regional competition is strong for many products.
Many Argentines have traveled and studied in the U.S., and know American culture and products. Exposure is also strong through cable TV and the Internet.	Initial purchases by importers are usually small, which discourage U.S. suppliers and increase unit costs.
Imported food from the U.S. and the E.U. is mostly considered gourmet.	There is a large domestic supply of many F&B products.
U.S. F&B products are known for their efficiency, value and variety.	Large foreign investment in the domestic food industry during the 1990's improved efficiency, quality, and competition.
Significant investment by large retail chains focused on new store openings, especially in the interior of the country, allow expanded market access throughout the country.	Local importers perceive a lack of flexibility and response from most U.S. exporters in supplying documentation needed to register new products.
There are good local cold chain facilities in Argentina.	Advertisement and marketing of locally manufactured products is very effective.
Local retailers have gained exposure to U.S. exporters and consolidators through FAS activities.	Recent government policy restricts somewhat the food and beverage import market
A growing local F&B industry opens new opportunities to imported food ingredients.	

Source: FAS Buenos Aires

## SECTION II. ROAD MAP FOR MARKET ENTRY

## **A. HYPERMARKETS OR SUPERCENTERS, SUPERSTORES AND WAREHOUSE OUTLETS**

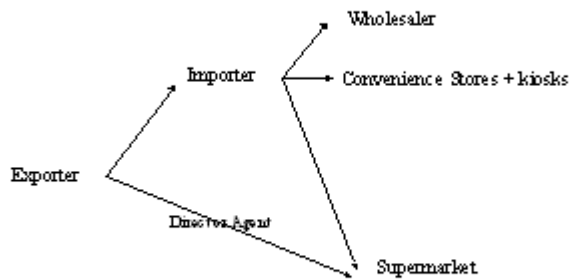
### **Entry Strategy**

The best method to import a product will depend upon the product, the importer, and retailers. However, successful trade depends upon the commitment of the exporter to devote the time and resources necessary for building a market for his/her product(s). In general, imported F&B come into Argentina through any of the following ways:

- Direct imports by supermarkets. Import or purchasing managers of large retail companies identify food products in international food shows, buying missions, etc. They establish a direct contact with the foreign supplier or local agent and import the products directly. Due to small initial volumes, it is common for them to use large wholesalers or consolidators in the U.S.
- Local agents, who work closely with large retail chains. Imports are done on behalf of supermarkets on a commission basis. They stay on top of the product to supervise its marketing and brand development.
- Local F&B importers, who import products at their own financial risk, and then market them in supermarkets and/or hotels, restaurants, and institutional (HRI) establishments. There are a few of these who have been in the market for several years and have well-established brands. They mainly specialize in gourmet foods.
- Local processors (mainly subsidiaries of multinational companies) such as Nestle, Kraft, Cadbury, Heinz, Mars, Danone, etc., who import and distribute products usually manufactured by their sister companies. Imports through this channel dropped significantly with the economic crisis, but some companies have reinitiated imports.

### **Market Structure**

**Distribution Channel Flow Diagram**  
**Imported Foods & Beverages**



Hypermarkets, superstores, and warehouse stores account for approximately 35 percent of the F&B market.

**Company Profiles (2009)**

<b>Retailer/ Mkt. Share (%)</b>	<b>Ownership</b>	<b>Est. Sales (* US\$ Million</b>	<b>No. of Outlets</b>	<b>Locations</b>	<b>Purchasing Agent Type</b>
<b>Carrefour/ Carrefour Express/Mini Carrefour/Dia (24.6)</b>	French	2,950	604	National	Direct (**), agent, importer
<b>Jumbo/ Disco/Vea (18.1)</b>	Chilean	2,165	256	National	Direct (**), agent, importer
<b>Coto (12.6)</b>	Local	1,504	117	Buenos Aires City & Province, & Prov. of Santa Fe & Entre Rios	Direct (**), agent, importer
<b>WalMart/ Chango Mas (7.9)</b>	US	950	38	Buenos Aires/ Large Cities	Direct (**), agent, importer
<b>La Anonima/ Quijote/Best (7.5)</b>	Local	900	116	Primarily South of Argentina (Patagonia), and Buenos Aires and Santa Fe Provinces	Direct (**), importer

<b>Libertad/ Leader Price (Casino) (3.7)</b>	French	440	65	Center-North of Argentina; Buenos Aires City and Province	Direct (**), agent, importer
<b>Toledo (1.5)</b>	Local	184	34	S.E. Buenos Aires Province	Direct (**), agent, importer
<b>Eki (0.8)</b>	US	100	165	Buenos Aires City & Province, & Province of Santa Fe	Direct (**), agent, importer

Source: FAS Buenos Aires based on data from Euromonitor and private sources

(\*) F&B sales account for approximately 72 percent of total sales.

(\*\*) Direct F&B imports from supermarkets have decreased significantly during 2010 as a result of the food import restrictions imposed by the GOA.

Argentina has mainly the following retail store formats:

Hypermarkets (>5,000 sqm., >25 checkouts, driving distance, delivery)

\* Supermarkets (400/5,000 sqm., 4/25 checkouts, walking distance, delivery)

Small supermarkets or superettes (<400 sqm., less than 3 checkouts, proximity, delivery)

Warehouse stores (270 sqm average, proximity, 2-3 checkouts, low prices, high percent of private label products and B-brands, increasing focus on first brands, 500-1,500 products, delivery)

Buenos Aires city and suburbs are covered by all four above formats.

Larger cities (mainly provincial capitals) have primarily supermarkets and superettes, and several have hypermarkets.

Smaller cities (less than 100,000 people) have primarily superettes and some supermarkets.

There are 583 warehouse stores in Argentina with annual sales in 2009 of approximately \$720 million, accounting for over 2 percent of total grocery retail sales. This format has been expanding both in sales and number of outlets. Dia (owned by Carrefour), Eki, and Leader Price (recently purchased by EKI) are the main warehouse store formats. They are primarily located in major cities such as Buenos Aires, Rosario and Cordoba.

Hypermarkets have managed to re-build their lines of imported F&B, targeting consumers with a higher purchasing power, mainly in stores located in the most affluent areas of Buenos Aires City and suburbs (where one third of the country's population lives, and almost half of the sales are done). Overall, in the past few years, consumers have been coming back to making planned purchases in hypermarkets due to competitive prices and discounts offered by these types of stores.

#### Internet shopping

\* As reported by Euromonitor, the number of Internet users in Argentina continued to increase and, by 2014, around 60 percent of the population is expected to have Internet access at home. Internet retailing increased by 29 percent in 2009 totaling \$675 million, as there is a greater presence of middle-income consumers purchasing products on-line who are gaining confidence in using this shopping tool.

\* According to the National Institute of Census and Statistics (INDEC, in Spanish), by September 2009, there were about 4 million home Internet accounts, accounting for 36 percent of all households, of which 88 percent were broadband.



- \* A few retail chains provide Internet and phone sales service. However, sales of F&B through the web are not yet widely popular. The main disadvantage for consumers is that they usually have to wait several hours for the order to be delivered to their homes and, in many cases, orders are incomplete due to products being out of stock.
- \* In 2009, Coto Digital's (on-line service of Coto Supermarket) led Internet food retailing, accounting for 10 percent of total sales, because it had the widest product variety and lower prices than other supermarkets such as Disco Virtual.
- \* Disco Virtual is the on-line service of Disco Supermarket (purchased by Jumbo-Cencosud). It was the first on-line supermarket, and it has proved popular due to its convenience and time saved.
- \* Le Shop is the only pure on-line retailer with no presence in store retailing. The presence of pure Internet retailers is limited in Argentina due to the conservative nature of consumers who only trust retailers with whom they are familiar.
- \* Wal-Mart was the last retailer to incorporate on-line sales.
- \* Carrefour, which is still not present in Internet food retailing, is expected to launch a shopping website to take advantage of the low overhead costs and to avoid the cost of opening new stores, particularly as rents are currently very high.

## **B. CONVENIENCE STORES, GAS MARTS, KIOSKS**

### **Entry Strategy**

The best method for new-to-market exporters is to enter the market through importers who have their own distribution networks, and to a lesser degree, through wholesalers.

It should be noted that participation in trade shows, especially SIAL Mercosur, fosters contact between U.S. suppliers and importers primarily from the Mercosur region.

In general, a local representative is helpful in coordinating negotiations with retailers. Most food importers sell directly to this subsector.

Selling to gas-marts owned by oil companies should be done via the purchasing managers. The owners of kiosks and convenience stores are the ones who make purchasing decisions.

### **Market Structure**

Please refer to flow chart in Section II. A.

### **Company Profiles (2009)**

<b>Retailer Name</b>	<b>Ownership</b>	<b>Sales (\$ million)</b>	<b>No. of Outlets</b>	<b>Locations</b>	<b>Purchasing Agent Type</b>	<b>Mkt. Share %</b>

<b>Repsol YPF Distribuidora (YPF)</b>	Local	253	1,129	Nationwide	Importer, distributor	35.9
<b>Petrobras Energia (Minimercado/Spacio 1)</b>	Brazilian	154	832	Nationwide	Importer, distributor	21.9
<b>Shell CAPSA (Select/Shop)</b>	British/Dutch	142	706	Nationwide	Importer, distributor	20.2
<b>Esso SAPA Shop/Tiger Market Express</b>	U.S.	69	545	Nationwide	Importer, distributor	9.8

: FAS Buenos Aires based on data from Euromonitor and private sources

Gas mart chains or convenience stores (C-stores) started operations in the late 1980s as a separate division of oil companies. Their sales in 2009 totaled around \$700 million.

There are approximately 3,700 C-stores and gas marts all over the country. They are typically located within gas stations either in cities or on highways. They are open 24 hours a day and offer a wide variety of F&B products (approximately 2,000), such as frozen food, fast food, snacks, cookies, confectionery items, alcoholic and non-alcoholic beverages, dairy products, etc. They also include a gift area and an eating area with microwaves. Some gas marts have ATM machines, Internet access, WI-FI technology, and telephone booths.

During the past few years, they have been incorporating promotions based on price/value.

Curiously, C-stores do not compete with each other but primarily with kiosks in proximity.

Customers of C-stores in cities, mostly teenagers, usually make impulse purchases (e.g. confectionery items), because of their proximity and the fact that they are open 24 hours a day.

Customers of C-stores on highways are primarily travelers.

Twenty four-hour service and their relative security are some of the major attractive features of gas marts.

C-stores represent a good channel for imported F&B since a high percentage of their customers belong to the more affluent stratum of society.

C-stores located in Buenos Aires City and suburbs account for more than half of the total sales of this format.

Kiosks are smaller than gas marts. They primarily sell confectionery products, snacks, cigarettes, soft drinks, ice cream, etc. They do not have eating areas, and most of them are family-run.

Some kiosks have become maxikiosks, with self-service shelves and a wider product variety.

Kiosk customers belong to all socio-economic classes. Maxikiosks are popular among students, and workers, who purchase inexpensive food.

or kiosks have incorporated vending machines.

Most imported items sold in C-stores and kiosks are chocolates, alcoholic beverages, cigarettes, ice cream and confectionery products.

The location of C-stores and kiosks in Argentina is mostly related to consumption patterns.

Buenos Aires City and suburbs show a higher concentration of outlets, followed by major cities such as Córdoba, Rosario, Mendoza, Tucumán, Mar del Plata, Bahía Blanca, Santa Fe, Paraná, Neuquén, and Salta.

### **C. TRADITIONAL MARKETS - "MOM & POP" SMALL INDEPENDENT**

## **GROCERY STORES (including small supermarkets)**

### **Entry Strategy**

The best method to enter the market is the same as for convenience stores (please refer to Section B).

### **Market Structure**

Please refer to flow chart in Section II. A.

### **Subsector Profile**

In 2009, smaller supermarkets and traditional stores accounted for about 49 percent of the total retail sales of F&B, compared with approximately 35 percent in 2001, and 73 percent fifteen years ago. At the beginning of the present decade, sales in both grocery stores and small supermarkets grew fast. Many customers with a lower purchasing power preferred these due to their proximity, and the fact that they made smaller purchases, many times with short-term credit. Moreover, prices at grocery stores had become similar to those in supermarkets. Then, a significant number of consumers returned to hyper and supermarket shopping, as a consequence of higher purchasing power and convenience in terms of time and price. During the past couple of years, traditional stores have continued to lose some market share in favor of hyper and supermarkets as a consequence of their highly competitive prices and discounts.

Customers of traditional stores primarily belong to the middle and lower-middle socioeconomic strata.

A small percentage of imported F&B is sold through traditional stores.

## **SECTION III. COMPETITION**

Argentina is essentially a food-producing and exporting country.

Of retail F&B sold in 2009, only 2 percent was imported.

During the past few years, supermarkets have been reincorporating imported U.S. consumer-ready food products and they have managed to rebuild their imported product line.

Highly-rated hotels in Argentina continued using some imported premium products because of their high quality and variety.

Food products are imported mainly from Mercosur countries (primarily Brazil) due to proximity, and reduced preferential import tariffs. Imported products also come from Ecuador, the U.S., Mexico and European countries, especially the Netherlands and Italy.

The following table lists the advantages and disadvantages of both local and imported F&B products:

	<b>ADVANTAGES</b>	<b>DISADVANTAGES</b>
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Locally Produced	<ul style="list-style-type: none"> <li>* established products</li> <li>* established brands</li> <li>* established manufacturers</li> <li>* adapted to local preferences</li> <li>* fresher/longer shelf-life</li> <li>* less expensive</li> <li>* wide distribution</li> <li>* strong marketing support</li> </ul>	<ul style="list-style-type: none"> <li>* not always the best quality</li> <li>* slower in introducing new novelty products</li> <li>* expensive slotting fees</li> <li>* limited selection</li> </ul>
Imported	<ul style="list-style-type: none"> <li>* quality</li> <li>* novelty</li> <li>* availability (in case of products with limited local production)</li> <li>* variety</li> <li>* good image</li> <li>* improved and more attractive packaging</li> </ul>	<ul style="list-style-type: none"> <li>* more expensive</li> <li>* shorter shelf-life (by the time it arrives)</li> <li>* different taste</li> <li>* poor or no marketing support</li> <li>* distribution limitations (run out of stocks)</li> <li>* import costs</li> <li>* government import restrictions which discourage imports</li> </ul>

The following is a brief description of the market per major retail product categories:

Snack food of U.S. origin has a very good reputation, but its demand dropped significantly after the peso devaluation in 2002. The main market player in Argentina is PepsiCo, which locally produces many U.S. brands.

Domestic production of breakfast cereals is also very significant. U.S.-owned companies established in Argentina (Kellogg's and Quaker) lead the market. However, some varieties are still imported, especially from Brazil. There are a few medium/large local companies as well.

Argentina produces large volumes of beef. Thus, imports are not significant. Some sweetbreads were imported from the United States until early 2002, when Argentina established new sanitary regulations banning imports which they consider have BSE risk.

Imported pork accounts for a good share of the domestic demand. Product comes primarily from Brazil.

Although Argentina's poultry production and exports are increasing sharply, some very small volumes of inexpensive products are imported from Brazil.

Argentina is self-sufficient in dairy production and exports high quality products to many markets. However, some imports of whey, special milks and specialty cheeses take place.

There are large imports of preserved fish and seafood specialties (primarily canned tuna), coming from Ecuador, Thailand, and Brazil.

Some fruits, which are not produced locally, are imported, such as bananas (Brazil and Ecuador) and kiwifruit (Chile, Italy, and New Zealand). There are imports of canned fruits, especially pineapple from Thailand, South Africa, and Indonesia. Canned palm hearts are also imported in significant quantities from Ecuador and Brazil.

Argentine imports of tree nuts (primarily almonds) have recovered during the past few years. Of what is imported, Chile dominates the market, followed by the U.S.

Regarding imports of soft drinks and mineral water, there are large local manufacturers, including Coca Cola and PepsiCo, which compete strongly in the market. Beer imports continue to expand. The main suppliers are Mexico and the EU. Wine imports almost disappeared after the devaluation but are recovering slowly. Chile, France, and Spain are the main suppliers.

Argentina has expanded its pet food production, especially after the opening of several manufacturing plants owned by foreign companies such as Procter & Gamble, Nestle/Purina, Heinz,

Mars/Effem and Colgate Palmolive. However, some *premium* pet food is imported, primarily from Brazil and the U.S.

**SECTION IV. BEST PRODUCT PROSPECTS**

The best product prospects for U.S. F&B in the Argentine retail market are as follows:

<b>Product Type</b>	<b>Present in the Market w/Good Sales Potential</b>	<b>Not Present in Significant Quantities but w/Good Sales Potential</b>	<b>Not Present because They Face Significant Barriers</b>	<b>Barriers</b>
Chocolate	X			
Canned Veggies.	X			
Fruit & Nut Prep.	X			
Sugar Confection.	X			
Fresh Citrus				***
Soups	X			
Sauces & Prep.	X			
Cookies/Snacks	X			
Isotonic Bvgs./ Energy Drinks	X			
Fresh Stone Fruits				***
Fr. Deciduous Fruits				***
Food Ingredients	X			
Convenience Foods		X		

\*\*\* Please contact our office for current phytosanitary regulations

**SECTION V. POST CONTACT AND FURTHER INFORMATION**

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